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UNCLAS SECTION 01 OF 02 MEXICO 006281

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E.O. 12598: NA

TAGS: AMGT APER OPDC PREL MX

SUBJECT: RECOMMENDATION TO UPGRADE CONSULATES NUEVO LAREDO, MATAMOROS, AND HERMOSILLO TO CONSULATES GENERAL

Summary and action request: Mission Mexico has undertaken a thorough review of interests, missions, workloads, and staffing structures at all of its consulates. As a result we recommend that three posts -- Nuevo Laredo, Matamoros and Hermosillo -- be formally redesignated as Consulates General vice Consulates. We have determined that this new status would more accurately reflect the posts' current size and responsibilities, and provide better parity with Mexican representation across the border in the U.S. All three posts have border trade and security functions that will be better advanced by the Consulate General designation. Post assesses that minimal costs associated with the upgrades can be absorbed in our existing budget. Post anticipates no additional changes in rank and staffing beyond those already identified as part of anticipated growth in consular services (and which will proceed regardless of posts' designation). ACTION REQUEST: Per 2 FAM 130 guidance post requests that, if it concurs, WHA submit the request and post-specific recommendations to M for approval. End Summary

NUEVO LAREDO

- $\P 2$. Consulate Nuevo Laredo was established in 1871 but has grown in size and complexity in recent years. For reasons of trade, security, consular services and staffing it is important to designate Nuevo Laredo a Consulate General. Consulate Nuevo Laredo sits at the hub of four border crossings through which 38 percent of U.S.-Mexico trade passes. On any given day 10,000 trucks and 1200 railcars cross the border, posing prosperity opportunities and security challenges. According to one report 700 of the Fortune 1000 top companies move raw materials or products through Nuevo Laredo. On the security front, we have more American citizens kidnapped or missing from the Nuevo Laredo area than from any other city in Mexico, and our advocacy on their behalf would be strengthened by designating the post a Consulate General (Mexico's post in Laredo, Texas, is already a Consulate General; Mexico has four other posts in Texas that correspond to Nuevo Laredo's Additionally, due to the unique security challenges district.) facing residents in the Laredo/Nuevo Laredo area, Post is heavily engaged in coordinating meetings between law enforcement entities on both sides of the border, in facilitating the exchange of law enforcement information, and also serving as a bridge to the Mexican military.
- 13. On the consular front, Nuevo Laredo has seen an NIV issuance increase 81% (from 36,000 to 65,300) in just the last year, and it is projected to grow every year through 2012. Passport services have increased an astounding 380% (from 270 to over 1,000) over the past year as the Western Hemisphere Travel Initiative (WHTI) comes into force. It is already the second largest visa processing post for temporary workers headed to the US on H-2 visas. Nuevo Laredo oversees the work of two constituent consular agencies. In addition, due to the size of the consular district, that corresponds to two Mexican consulates and one Mexican Consulate General, Post engages in numerous public diplomacy and outreach projects that transcend the boundaries between the Mexican states of Nuevo Leon, Coahuila and Tamaulipas, including participation in numerous ceremonial and political events. Finally, Nuevo Laredo's staff has increased to total 50 employees representing various agencies, and additional growth is slated in the coming years. The opening of a

DEA office in Nuevo Laredo in mid-2007 will be followed by the assignment of at least three additional DEA personnel to Post in 2008 and increased law enforcement cooperation as a result.

14. Post assesses that minimal costs associated with the upgrades can be absorbed in our existing budget. Post anticipates no additional changes in rank and staffing beyond those already identified as part of anticipated growth in consular services (and which will proceed regardless of posts' designation.)

MATAMOROS

- 15. Consulate Matamoros just celebrated its 175th birthday but needs to upgrade its status to confront the myriad challenges it faces in advancing trade, promoting security, and providing consular services. Since the 1994 signing of the North American Free Trade Agreement (NAFTA) Consulate Matamoros' district has become an important site for U.S. investment in industries exporting to the United States. The average \$1 billion/day in trade between the U.S. and Mexico poses prosperity opportunities and security challenges. Matamoros coordinates border liaison meetings to ensure U.S. interests are protected on both fronts. On the consular front Matamoros has seen NIV applications increase - 30 percent in the past year (98,000 to 128,000), and passport applications have grown 66 percent (288 to 480) over the same time frame. CA projects additional growth in all consular services in coming years, including a three-fold increase in passport applications. Consulate Matamoros hosts three agencies (including the recent addition of DEA) and has a total staff of about 70, with additional growth anticipated. Consulate Matamoros oversees a constituent consular agency in Reynosa. Mexico has two consulates within Texas mirroring Matamoros.
- $\P6$. Post assesses that minimal costs associated with the upgrade MEXICO 00006281 002 OF 002

can be absorbed in our existing budget. Post anticipates no additional changes in rank and staffing beyond those already identified as part of anticipated growth in consular services (and which will proceed regardless of posts' designation.)

HERMOSILLO

- Consulate Hermosillo in Sonora, Mexico has experienced geometric growth in staff and mission since its founding in 1966. Today its expanding business and trade promotion, law enforcement and consular missions mandate its designation as a Consulate General. Some 212 plants in Sonora alone generate exports to the United States, and 42 percent of all agricultural exports to the United States -- most products of Sinaloa, the other state in Consulate Hermosillo's consular district -- enter through Sonora. Sonora state received \$186 million in foreign direct investment in 2005, and Guaymas, its fourth largest city, is the site of Mexico's fastest growing aerospace industry cluster. The largest Ford Motor assembly plant in North America is in Hermosillo. Among less fortunate statistics, Sinaloa is the base for the Sinaloa Cartel, arguably Mexico's most powerful drug cartel, which uses Sonora as a key transit area for drugs being sent illegally to the United States. Sonora is also a key staging area for over 2000 illegal immigrants a day hoping to cross into the United States. Hermosillo is Sonora's capital and seat of government, which facilitates access to Mexican authorities and gives the Consulate an important liaison While Consulate Hermosillo has seen role for the USG with them. only a small rise in NIV adjudications this year, it has experienced a significant increase in passport demand. The Mission, however, has begun to transform Consulate Hermosillo into one of our largest H visa processing posts this year. Consulate Hermosillo hosts five agencies (including two law enforcement agencies) and has a total staff of about 80. Hermosillo has one constituent consular agency in Mazatlan, Sinaloa, where some 5000 American citizens reside. Hermosillo provides some support as requested to our Consulate in Nogales, AZ. Mexico has five consulates in Arizona, two of them Consulates General (Nogales and Phoenix).
- 18. Post assesses that minimal costs associated with the upgrade can be absorbed in our existing budget. Post anticipates no additional

changes in rank and staffing beyond those already identified as part of anticipated growth in consular services (and which will proceed regardless of posts' designation.)

- 19. Comment: Beyond the post-specific rationales for these new designations we also see a benefit to demonstrating to Mexico our intent to improve and "upgrade" the bilateral relationship across the board at a time when our requests for closer law enforcement cooperation will intensify.
- $\P 10$. Please advise if any additional information is required. Many thanks for your assistance.

Bassett